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INSURANCE ASSOCIATION OF CONNECTICUT

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Statement

Insurance Association of Connecticut

Insurance and Real Estate Committee

SB 22, An Act Concerning the Electronic Posting of

Certain Documents by Insurers

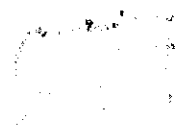
January 29, 2015

I am Eric George, President of the Insurance Association of Connecticut (IAC). The IAC supports, with certain changes, SB 22, An Act Concerning the Electronic Posting of Certain Documents by Insurers.

SB 22 would help insurance carriers contain their administrative burdens by allowing them to post on their websites, in lieu of mailings or physical delivery, policies and endorsements, subject to certain rules and limitations.

While the bulk of SB 22 is positive, one of the limitations contained in SB 22 would be problematic. This limitation is the vague requirement contained in SB 22 that such electronically posted policy or endorsement does not contain any personally identifiable information.

This language needs to clearly specify that this "personally identifiable" limitation applies only to electronic postings that are accessible to the public at large. The reason for this necessary change is that without clearly stating that the limitation applies only to electronic postings that are accessible to the public at large, then carriers would be prohibited from



providing personally specific information directly to their insureds via password protected websites. Currently, insureds are able to access a myriad of information pertaining to their policies, endorsements and claims on the Internet. The blanket limitation currently contained in SB 22 as presently drafted would effectively prohibit carriers from tailoring Internet-based information specifically to insureds.

The IAC also asks that SB 22 be further amended to include language which similarly allows carriers to fulfill their delivery obligations via electronic methods. I have attached draft language that would accomplish this electronic delivery allowance to this document.

With these requested changes, the IAC supports SB 22 and urges its passage. Thank you for the opportunity to present the IAC's comments on this legislation.

An Act Concerning Electronic Delivery and Posting By Insurers

Section 1 (NEW)

(a) For the purposes of this section the following words shall have the following meanings:

(1) "Delivered by electronic means" includes:

(i) Delivery to an electronic mail address at which a party has consented to receive information, notices or documents; or

(ii) Posting on an electronic network or Website accessible via the internet, mobile application, computer, mobile device, tablet, or any other electronic device, together with separate notice of the posting which shall be provided by electronic mail to the address at which the party has consented to receive notice or by any other delivery method that has been consented to by the party.

(2) "Party" means any recipient of any information, notice or document required as part of an insurance transaction, including but not limited to an applicant, an insured, a policyholder, or any annuity contract holder.

(b) Any notice to a party or any other information or document required under applicable law in an insurance transaction or that is to serve as evidence of insurance coverage may be delivered, stored, and presented by electronic means as long as it meets the requirements of the C.G.S. Sections 1-266 to 1-286.

(c) Delivery of information, a notice, or document in accordance with this section shall be considered equivalent to any delivery method required under applicable law, including, but not limited to, delivery by first class mail; first class mail, postage prepaid; certified mail; certificate of mail; or certificate of mailing.

(d) An insurer providing, sending, or delivering information, notices or documents shall satisfy any font, size, spacing or other format requirements if the electronic information, notices, or documents as provided, sent, or delivered by the insurer are provided in a format that is capable of meeting those requirements and may be printed or saved by the insured or applicant using programs or applications widely available on the Internet and free of charge to use.

(e) This section does not affect requirements related to content or timing of any information, notice or document required under applicable law.

(f) If a provision of Title 38a of the C.G.S or applicable law requiring information, a notice, or document to be provided to a party expressly requires verification or acknowledgment of receipt of the such information, notice or document, the information,

notice or document may be delivered by electronic means only if the method used provides for verification or acknowledgment of receipt.

(g) The legal effectiveness, validity, or enforceability of any contract or policy of insurance executed by a party may not be denied solely because of the failure to obtain electronic consent or confirmation of consent of the party in accordance with the requirements of the C.G.S. Sections 1-266 to 1-286.

(h)(1) A withdrawal of consent by a party does not affect the legal effectiveness, validity, or enforceability of the information, a notice, or document delivered by electronic means to the party before withdrawal of consent is effective. (2) A withdrawal of consent by a party is effective within a reasonable period of time after receipt of the withdrawal by the insurer. (i) This section does not apply to information, a notice or documents delivered by an insurer in an electronic form before the effective date of this act to a party, who, before that date, has consented to receive notices or documents in an electronic form otherwise allowed by law.

(j) If the consent of a party to receive certain notices or documents in an electronic form is on file with an insurer before the effective date of this section and if an insurer intends to deliver additional information, notices or documents to such party in an electronic form, then prior to delivering such additional information, notices or documents by electronic means, the insurer shall notify the party of:

(i) The information, notices, or documents that may be delivered by electronic means under this section that were not previously delivered by electronic means; and

(ii) The party's right to withdraw consent to have such information, notices or documents delivered by electronic means.

(k)(1) If an oral communication or a recording of an oral communication from a party can be reliably stored and reproduced by an insurer, the oral communication or recording may qualify as information, a notice, or document delivered by electronic means for purposes of this section.

(2) If a provision of Title 38a of the C.G.S. or applicable law requires a signature or notice or document to be notarized, acknowledged, verified, or made under oath, the requirement is satisfied if the electronic signature of the person authorized to perform those acts, together with all other information required to be included by the provisions, is attached to or logically associated with the signature, notice or document.

(l) This section may not be construed to modify, limit, or supersede the provisions of the federal Electronic Signatures in Global and National Commerce Act, Public Law 106-229, as amended.

Section 2 (NEW)

Notwithstanding any other provisions of Section 1 of this Act, insurance policies, as defined in 38a- 296, or endorsements that do not contain personally identifiable information may be mailed, delivered, or posted on the insurer's Web site. If the insurer elects to post insurance policies and endorsements on its Web site in lieu of mailing or delivering them to the insured, it must comply with all the following conditions:

(1) The policy and endorsements must be accessible for as long as the policy is in force;

(2) After the expiration of the policy, the insurer must archive its expired policies and endorsements for a period of five years, and make them available upon request;

(3) The policies and endorsements must be posted in a manner that enables the insured to print and save the policy and endorsements using programs or applications that are widely available on the Internet and free to use;

(4) The insurer provides the following information in, or simultaneous with each declarations page provided at the time of issuance of the initial policy and any renewals of that policy:

(A) a description of the specific policy and endorsement forms purchased by the insured;

(B) a method by which the insured may obtain, upon request and without charge, a paper copy of their policy including applicable endorsements; and

(C) the internet address where their policy and endorsements are posted.

and;

(5) The insurer provides notice, in a manner in which it normally communicates with the insured at the time of issuance or renewal of the policy or endorsement, or at the time of any changes to the policy or endorsement, of a method by which the insured may obtain, upon request and without charge, a paper copy of such policy or endorsement, or any changes to them, and the internet address where such policies and endorsements are posted.

Sec. 3 Subsection (c) of Subdivision (2)(C) of Section 1-268 of the Connecticut General Statutes is repealed and the following substituted in lieu thereof:

(c) Notice of the cancellation or termination of health insurance [or benefits or the life insurance benefits, excluding annuities];

Statement of Purpose: To modernize consumer insurance transactions by codifying the use electronic delivery and posting by insurers.